

# Washington State Auditor's Office

## Audit Report

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### Upper Grant Conservation District Grant County

Audit Period  
January 1, 1999 through December 31, 2000

Report No. 62757

Issue Date  
**November 2, 2001**



Washington \_\_\_\_\_  
***State Auditor***  
\_\_\_\_\_  
Brian Sonntag

# Audit Summary

## **Upper Grant Conservation District Grant County January 1, 1999 through December 31, 2000**

### ***ABOUT THE AUDIT***

This report contains the results of our two-year independent audit of the Upper Grant Conservation District for the period January 1, 1999, through December 31, 2000.

We performed audit procedures to determine whether the District complied with state laws and regulations and its own policies and procedures. We also audited the financial statements and evaluated internal controls established by District management. Our work focused on specific areas that have potential for abuse or misuse of public resources.

### ***RESULTS***

The District complied with state laws and regulations and its own policies and procedures. We also found the District's financial statements were complete and accurate.

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Grant County  
January 1, 1999 through December 31, 2000**

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# Description of the District

## Upper Grant Conservation District Grant County January 1, 1999 through December 31, 2000

### ***ABOUT THE DISTRICT***

The Upper Grant Conservation District was established in 1986 and is a subdivision of the State of Washington Conservation Commission. There are 48 conservation districts around the state. The District is administered by a five-member Board of Commissioners. There are three elected and two appointed Commissioners. The District's 10 employees perform services that assist in the preservation and conservation of the state's natural resources. The District's operating budget was approximately \$600,000 and \$350,000 in 1999 and 2000, respectively. The majority of its revenues are from state grants.

### ***ELECTED/APPOINTED OFFICIALS***

These officials served during the audit period:

Board of Commissioners:

Dave Stadelman  
Bill Lamphere  
Dale Wentworth  
Jim Krautscheid  
Mark Kallstrom

District Administrator

Janet Simmons

### ***ADDRESS***

District

Suite C  
2145 Basin Street Southwest  
Ephrata, WA 98823-9617

# Audit Areas Examined

## Upper Grant Conservation District Grant County January 1, 1999 through December 31, 2000

In keeping with general auditing practices, we do not examine every portion of the Upper Grant Conservation District's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the District were examined during this audit period:

### **LEGAL COMPLIANCE**

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Code of ethics laws
- Open Public Meetings Act
- State grant compliance

### **INTERNAL CONTROL**

We evaluated the following areas of the District's internal control structure:

- Cash receipting
- Purchase of goods and services
- Payroll

### **FINANCIAL AREAS**

In addition to the financial-related work listed in other categories, we audited the following areas:

- Revenues
- Overall presentation of the financial statements
- Cash and investments
- Expenditures

# Audit Overview

## Upper Grant Conservation District Grant County January 1, 1999 through December 31, 2000

### ***AUDIT HISTORY***

We previously audited the Upper Grant Conservation District every three years. The audit has since been reclassified as a two-year audit because of the size of and types of operations at the District. The District has not had any findings during the last three audits.

### ***CONCLUSIONS***

The District complied with state laws and regulations and its own policies and procedures. In addition, we found the District's financial statements were complete and accurate.

We would like to commend the District on continued efforts to comply with state and local laws and internal controls. We thank District officials and personnel for their assistance and cooperation during the audit.

# Independent Auditor's Report on Compliance with State Laws and Regulations

## Upper Grant Conservation District Grant County January 1, 1999 through December 31, 2000

Board of Commissioners  
Upper Grant Conservation District  
Ephrata, Washington

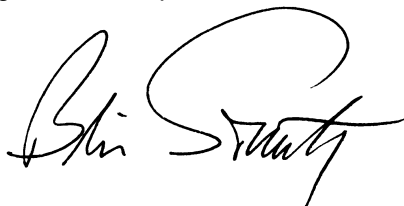
We have audited the financial statements of the Upper Grant Conservation District, Grant County, Washington, as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated August 28, 2001.

We also performed tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the District complied with the laws and the *Constitution of the State of Washington*, its own ordinances and orders, and the requirements of the State Auditor's Office.

Compliance with these requirements is the responsibility of the District's management. Our responsibility is to make a reasonable effort to identify any instances of misfeasance, malfeasance or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the District and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an overall opinion on compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests indicated that, with respect to the items tested, the District complied, in all material respects, with the applicable laws and regulations referred to in the preceding paragraphs. With respect to items not tested, nothing came to our attention that caused us to believe that the District had not complied, in all material respects, with those provisions.

This report is intended for the information of management and the Board of Commissioners and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

August 28, 2001

# Independent Auditor's Report on Financial Statements

## Upper Grant Conservation District Grant County January 1, 1999 through December 31, 2000

Board of Commissioners  
Upper Grant Conservation District  
Ephrata, Washington

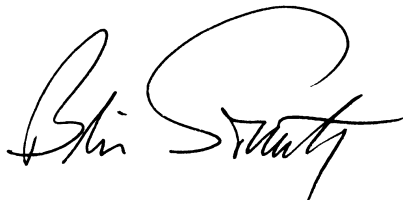
We have audited the accompanying financial statements of the Upper Grant Conservation District, Grant County, Washington, for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the financial statements, the District prepares its financial statements on the cash basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the recognized revenues and expenditures of the funds of the Upper Grant Conservation District for the years ended December 31, 2000 and 1999, on the cash basis of accounting described in Note 1.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedules of State and Local Financial Assistance are presented for purposes of additional analysis. These schedules are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.



**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

August 28, 2001



# Financial Statements

## **Upper Grant Conservation District Grant County January 1, 1999 through December 31, 2000**

### ***FINANCIAL STATEMENTS***

Revenues and Expenses Arising from Cash Transactions – 2000  
Revenues and Expenses Arising from Cash Transactions – 1999  
Notes to Financial Statements – 2000  
Notes to Financial Statements – 1999

### ***ADDITIONAL INFORMATION***

Schedule of State and Local Financial Assistance – 2000  
Schedule of State and Local Financial Assistance – 1999